

**House File 88 - Introduced**

HOUSE FILE 88

BY JACOBY

**A BILL FOR**

1 An Act relating to city finances by amending provisions  
2 relating to the issuance of general obligation bonds.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 384.26, subsection 5, paragraph a, Code  
2 2023, is amended to read as follows:

3 a. Notwithstanding the provisions of subsection 2, a council  
4 may, in lieu of calling an election, institute proceedings  
5 for the issuance of bonds for a general corporate purpose by  
6 causing a notice of the proposal to issue the bonds, including  
7 a statement of the amount and purpose of the bonds, together  
8 with the maximum rate of interest which the bonds are to bear,  
9 and the right to petition for an election, to be published at  
10 least once in a newspaper of general circulation within the  
11 city at least ten days prior to the meeting at which it is  
12 proposed to take action for the issuance of the bonds subject  
13 to the following population-based limitations, adjusted and  
14 published annually in January by the department of management  
15 by applying the percentage change in the consumer price  
16 index for all urban consumers for the most recent available  
17 twelve-month period published in the federal register by the  
18 United States department of labor, bureau of labor statistics:

19 (1) In cities having a population of five thousand or less,  
20 in an amount of not more than ~~four~~ eight hundred thousand  
21 dollars.

22 (2) In cities having a population of more than five thousand  
23 and not more than seventy-five thousand, in an amount of not  
24 more than ~~seven~~ one million four hundred thousand dollars.

25 (3) In cities having a population in excess of seventy-five  
26 thousand, in an amount of not more than ~~one~~ two million  
27 dollars.

28 Sec. 2. Section 384.26, subsection 5, Code 2023, is amended  
29 by adding the following new paragraph:

30 NEW PARAGRAPH. *Ob.* Each city's population used to determine  
31 the limitations of paragraph "a" shall be determined using the  
32 most recent population estimate produced by the United States  
33 census bureau.

34

EXPLANATION

35 The inclusion of this explanation does not constitute agreement with

1           the explanation's substance by the members of the general assembly.

2       This bill relates to city finances by amending provisions  
3 relating to the issuance of general obligation bonds.

4       If a city proposes to carry out a general corporate purpose  
5 using funds from the issuance of general obligation bonds,  
6 generally the issuance of such bonds must first be approved at  
7 election. Current law establishes an exception by providing  
8 that a city, in lieu of calling an election, may institute  
9 proceedings for the issuance of bonds for a general municipal  
10 purpose by notice and publication of the proposal to issue  
11 the bonds that includes a notice of the right to petition for  
12 an election, subject to the following bond amount and city  
13 population limitations: (1) in cities having a population  
14 of 5,000 or less, in an amount of not more than \$400,000;  
15 (2) in cities having a population of over 5,000 and not over  
16 75,000, in an amount of not more than \$700,000; and (3) in  
17 cities having a population of over 75,000, in an amount of  
18 not more than \$1 million. However, if at any time before the  
19 date fixed for taking action for the issuance of the bonds, a  
20 valid petition is filed asking that the question of issuing the  
21 bonds be submitted to the registered voters of the city, the  
22 city council shall either by resolution declare the proposal  
23 to issue the bonds to have been abandoned or shall direct the  
24 county commissioner of elections to call a special election  
25 upon the question of issuing the bonds.

26       The bill increases the bond amount limitations for each of  
27 the city population categories to the following amounts: (1)  
28 in counties having a population of 5,000 or less, in an amount  
29 of not more than \$800,000; (2) in cities having a population  
30 of over 5,000 and not over 75,000, in an amount of not more  
31 than \$1.4 million; and (3) in cities having a population of  
32 over 75,000, in an amount of not more than \$2 million. In  
33 addition, the bill provides for such bond amount limitations  
34 to be adjusted and published annually by the department of  
35 management based on a specified consumer price index and

H.F. 88

1 requires each city's population to be determined based on the  
2 most recent population estimate produced by the United States  
3 census bureau.